

**THE ROLE OF MISCONCEPTIONS IN SUPPORT
FOR REGRESSIVE TAX REFORM**

Joel Slemrod

University of Michigan

November 10, 2003

I thank Samara Potter for expert research assistance, Skip Lupia for helpful conversation, and Stephen Pelletier and Marc Rosenbaum for help in learning about the National Public Radio/Kaiser Foundation/Kennedy School survey methodology.

1. Introduction

In the United States there is considerable popular support for replacing the existing income tax structure with an alternative system, such as a flat-rate tax or a retail sales tax, that almost certainly would feature a more regressive distribution of the tax burden, and for abolishing the most progressive of all federal taxes, the estate and gift tax. This paper demonstrates that much of this support is based on a misconception that these changes would be progressive rather than regressive, mostly because many people believe that the existing distribution of tax burden is regressive.

The idea that poor policies may prevail because of voter ignorance is controversial among economists. For example, Tabellini and Alesina (1990) reject the idea that persistent deficits come about because of voter misunderstanding on the grounds that “this notion is difficult to reconcile with standard assumptions of rationality.” In contrast, Buchanan and Wagner (1977) argue that budget deficits arise from misunderstandings about their effects. They hypothesize that “complex and indirect payment structures create a fiscal illusion that will systematically produce higher levels of public outlay than those that would be observed under simple-payments structures” (p. 129), and that “debt financing reduces [the] perceived price of publicly provided goods...[and] in response, citizens-taxpayers increase their demands for such goods and services.” (p. 139) Romer and Romer (1997) argue that voter misunderstanding of the effects of monetary policy—in particular the failure to realize the long-run inflationary consequences—is an important source of inflation. Romer (2003) suggests that there may be patterns to misconceptions. He cites evidence of widespread misconceptions that are systematic, so that it is often possible to predict the errors that individuals will make when confronted with new questions. Romer speculates that there may also be patterns concerning public policy issues, such as a tendency to neglect “policies’ long-term consequences, or to underweight their general-equilibrium effects relative to their direct effects, or to

overemphasize their ability to deal with a problem that has arisen recently relative to other likely problems.”¹

Using data from an exceptionally detailed survey of attitudes toward taxation in the United States, I investigate the relative importance of one particular misconception—that the existing income tax is not progressive—in explaining public support for two different, and apparently regressive, tax reforms. In the process, I calculate that completely eliminating the policy misconception would reduce support for replacing the existing income tax with either a flat-rate tax or a retail sales tax by about 20 percent.

2. Data

The data analyzed here are drawn from a survey sponsored jointly by National Public Radio, the Henry J. Kaiser Family Foundation, and Harvard University’s Kennedy School of Government,² henceforth referred to as the “NKK Survey.” The data come from a nationwide telephone survey, conducted by ICR/International Communications Research between February 5 and March 17, 2002, of a random representative sample of 1,339 respondents 18 years of age or older. The overall response rate was 49.5 percent. The overall sample included an oversample of 208 respondents that were identified as having an income of \$150,000 or more. Weights are provided to adjust for the high-income oversampling and to match population distributions by gender, age, race, and education; and all of the figures and regressions cited in this paper use these weights.³ The poll asked over 70 questions about taxes, plus a battery of demographic questions. Appendix Table A1 lists means and standard deviations for the variables we include in our analysis.

¹ Romer (2003) also explores the implication of assuming that individuals do not have complete knowledge of how the economy functions. He develops a model in which irrationality is not needed for incomplete knowledge to give rise to welfare-reducing political outcomes—all that is required is that individuals’ errors are correlated.

² Blendon et al. (2003) provide an overview of the survey results.

³ More details about the methodology are provided in ICR (2003). According to Blendon et al. (2003, p. 31), “The survey design allowed respondents the option of saying that they did not know enough about the question to have an opinion. This approach encourages those who have not come to a judgment or do not consider themselves knowledgeable to say so and this leads to higher “don’t know” responses than generally found in other polls.”

3. Results

3.1 Support for “Regressive” Tax Reform

The survey reveals that a substantial fraction of Americans favor eliminating the existing income tax in favor of a flat-rate tax or a consumption tax like a retail sales tax (RST).⁴ Of those expressing an opinion, 53 percent favor switching to a flat-rate tax, and 39 percent favor switching to a RST. The correlation between support for the two changes is 0.328.⁵

Not surprisingly, support for eliminating the existing income tax depends on one’s beliefs about how well the current system stacks up against two of the usual criteria for evaluating tax systems—fairness and simplicity. Only 4 percent of respondents say that the current system is very fair, 47 percent say it is moderately fair, 32 percent say not too fair, and 16 percent say it is not fair at all. Furthermore, 50 percent of respondents say it is very complex, 36 percent say somewhat, 8 percent say it is not too complex, and 3 percent say it is not at all complex.

We can get a sense for the relative importance of these two complaints by examining the results of a linear probability regression model with dummy variables of the fairness and complexity answers as separate independent variables, as well as a set of demographic dummy variables for age, gender, race, education, and income.⁶ To simplify the interpretation of the results, responses of “not too fair” or “not fair at all” are combined into an unfair (UNF) dummy variable, and responses that the current system is “very complex” become a complex dummy variable (COM), while all other responses to this question are combined as the alternative answer.

⁴ The survey also queried about moving to “completely change” the federal tax system but, because of the vagueness of what alternative tax system is implied, including whether it would be more regressive than the current system, it is not pursued here. The estate tax is addressed in Section 3.4.

⁵ The correlation is calculated over those respondents that express an opinion on both tax reforms.

⁶ All of the statistical analyses were repeated using probit estimation, with no change in the conclusions highlighted in the text.

Column 1 of Table 1 shows that the probability of supporting switching to a flat-rate tax is 17.8 percent higher if one thinks the current system is unfair and is 13.8 percent higher if one thinks the current system is complex. Column 3 shows that, with regard to supporting a retail sales tax, thinking the current system is unfair increase the chance of support by 9.8 percent and thinking it too complex raises it by 7.0 percent.

What lies behind the belief that the current tax system is unfair? The survey asks, regarding upper-income, middle-income, and lower-income groups, respectively, whether they are paying more than their fair share of taxes, less, or about the right amount.

Column 1 of Table 2 shows the results of a linear probability regression explaining the determinants of unfairness as a function of dummy variables for these responses and a set of demographic variables. It reveals that feeling that *any* group pays *more* than their fair share increases the likelihood of feeling the system is unfair, although the contribution to a feeling of unfairness of believing that low-income people pay too much is about half the contribution for the other two groups. In contrast, believing that high-income people pay too little increases the probability of feeling the current system is unfair by 9.2%, but a belief that middle-income or low-income people pay too little has no significant effect on the sense of unfairness. I conclude that the sense of unfairness about the current system has two distinct sources: the belief that taxes are generally too high, and the belief that high-income people are not paying their fair share of the overall tax burden.

I next investigate the role of trust in government in popular attitudes toward the unfairness of taxes. Popkin and Dimock (2000) argue that one's trust in government can have at least as much influence on attitudes toward foreign policy as ideological predispositions or economic evaluations. The effect of trust on policy support can be tricky, though. Popkin and Dimock find that those who distrust government are more likely to want the government to retain its power to restrict trade instead of supporting free trade, and want government to increase its control over immigration. "Distrust in government does not always lead to opposition to government programs. Instead, the general misgivings people have about domestic institutions translate into a broader uncertainty about these international situations, causing people to support action by the

very government they distrust.” (p. 229) Column 2 of Table 2 reveals that trust has a significant negative association with perceived unfairness or, putting it positively, people who trust government are (holding constant demographic and responses to detailed unfairness questions) more likely to believe that the tax system treats people fairly. Of course, no causal conclusions can be drawn from this statistical association. It could be that a belief that the system is fair is an important determinant of whether people trust government.

3.2 The Role of Misconceptions

That support for dumping the income tax is higher among those who think it is complex and unfair is not surprising. What is surprising is that many people believe that moving to either a flat-rate tax or a RST would result in high-income people paying *more* tax than they do under the current system. 41 percent say that high-income people would pay more under a flat-rate tax, 35 percent say less, and 18 percent say about the same amount. 41 percent say high-income people would pay more under a RST, 26 percent say less, 23 percent say about the same amount.⁷

These beliefs run counter to what nearly all tax “experts” believe to be true. Why do significant fractions of Americans disagree with expert opinion? Mechanically, there are two possible, but not mutually exclusive, reasons. These people may disagree that the existing income tax system is progressive and/or they may disagree that the flat-rate tax or RST is proportional or slightly progressive. The survey provides strong evidence that the former concern is a major factor—most people doubt that the current system actually delivers progressivity. Indeed, 51 percent of all respondents think that middle-income families currently pay a *higher* percentage of income in taxes than high-income families—this is inconsistent with a progressive tax system. For these people, it is perfectly consistent to favor a flat-rate tax or a RST on the grounds of shifting the tax

⁷ Unfortunately, the survey did not ask about what respondents thought would happen to the tax payments of *other* groups, so one cannot be absolutely sure that a stated belief that high-income taxpayers’ payments would rise implies that their *share* of tax payments would also rise.

burden *to* the affluent if they believe either of the latter generates a proportional sharing of the tax burden.

Thus, a non-trivial part of the misconception about the distributional impact of eliminating the income tax arises from a misconception about current progressivity.⁸

The apparently misguided belief that a flat-rate tax has a very strong association with one's attitude toward regressive tax reform. This is demonstrated in the regression analyses shown in Columns 2 and 4 of Table 1. They show that, holding constant one's beliefs about the fairness and complexity of the existing tax, this misconception increases the probability of favoring a flat-rate tax by 24.0 percent, and of favoring a RST by 18.4 percent. Given that these misconceptions are held by 43.5 percent and 45.0 percent of the population, respectively, completely eliminating this misconception would reduce the percentage favoring a flat tax by 10.4 percent ($.240 \times .435$), from 52.9 percent to 42.5 percent, and would reduce the percentage favoring a retail sales tax by 8.3 percent ($.184 \times .450$), from 39.4 to 31.1 percent.⁹

3.3 Who Doesn't Get It?

Why do so many people believe, in clear contradiction to what experts believe, that these reforms will increase the tax payments of upper-income people? The regression results shown in Table 3 explore this question. Here the dependent variable is the belief that replacing the income tax with a flat-rate tax and a RST, respectively, will increase the amount of tax paid by the upper-income families.

⁸ In a regression not reported here, those who think that middle-income people now pay a higher percentage of their income in tax are 11 percent more likely to think that a flat-tax would increase the burden on high-income people, and 5 percent more likely to think that about a RST.

⁹ A similar conclusion can be reached by examining the answers to questions about whether the flat-rate tax and retail sales tax, respectively, is fairer than the existing tax system. These answers are by far the most important determinants of support for each of the two tax reforms. The probability of believing that the flat-rate tax is fairer than the existing system is, *ceteris paribus*, 29.4 percent higher if one believes that the flat-rate tax will increase the tax burden of the high-income groups; the corresponding figure is 19.2 percent for the retail sales tax.

One possibility is that those who hold this belief place more salience than is appropriate in certain aspects of the tax process. An example would be if they believe that tax evasion of the affluent is so large that it undermines the intended progressivity. There is some evidence that this is indeed the case. Slemrod and Bakija (2000, p. 63) report that in a 1989 survey, on average, respondents believed that 45 percent of millionaires paid no income tax at all, when IRS statistics showed that the actual figure was less than 2 percent. The NKK survey does ask about tax evasion, although it does not ask about it by income class. Table 3 shows that, in a regression trying to explain the determinants of this misconception, a belief that most or some people cheat a lot on their taxes (HE) does not contribute significantly to an explanation of the variation in this misconception.

It may be that not understanding this aspect of the tax system is just one manifestation of not getting things in general. To pursue this, one can see if the misperception is less likely to show up in more educated people. The regressions of Table 3 include dummy variables for educational attainment. With respect to the retail sales tax, the results are consistent with this idea. Those with a college degree are 15.8 percent less likely, compared to those with no high-school degree, to believe that a RST would increase the tax payments of high-income people. For a flat-rate tax, the results of Column 2 of Table 3 show the opposite relationship to educational attainment, although the relationships are not statistically significant.

It may be that the misconception is related to a lack of political knowledge, as opposed to educational attainment. Delli Carpini and Keeter (1996), in a comprehensive survey of the political knowledge of voters covering several decades and hundreds of surveys, show that majorities of voters are ignorant of many key aspects of the U.S. political system, such as who has the power to declare war, the respective functions of the three branches of government, and who controls monetary policy.¹⁰ Popkin and Dimock

¹⁰ The policy implications of this lack of political knowledge are highly controversial in the political science literature. For example, Lupia (2001) argues that political knowledge scales, which count the number of correct responses to a small number of questions about public affairs, represent neither necessary nor sufficient conditions for voter *competence* in making choices, where a choice is defined to be competent if it is the same choice that would be made given the most accurate information about its consequences. He argues that there are multiple informational pathways to competence. For example,

(2000) argue that “people with institutional knowledge process news, evaluate policies, and answer questions differently from those without this knowledge.” (p. 217). But the analysis suggests that this particular misconception is not significantly associated with one’s knowledge of tax terms. The survey asks whether the person has heard of, has heard of and knows the meaning of, or has not heard of a series of tax terms and asks a couple of other factual questions about the U.S. tax system. A summary measure of knowledge, the simple sum of correct answers (SUMKNOWL), does not help to explain either misconception in a statistically significant way.

Table 3 also shows that trust in government has a significant negative association with the flat-rate misconception. Those who trust government are 8.2 percent less likely to hold this misconception; for the retail sales tax, the estimated coefficient suggests a 2.6 percent decrease in the probability, but in this case the estimated coefficient is not significantly different from zero.

Some demographic indicators are associated with the probability of holding these beliefs. Older people are more likely to think that a flat-rate tax will increase the tax payments of high-income people, as are males. Race is not a significant factor, nor does income show a strong monotonic relationship with holding these beliefs. Strikingly, females are less likely to hold this misconception. The gender difference is large and significant for the flat-rate tax, and less large and not significant for the retail sales tax.

3.4 The Role of Misconception in Support for Abolishing the Estate Tax

The NKK survey also asks whether the U.S. estate and gift tax ought to be eliminated. Of those surveyed that expressed an opinion, 82 percent favored eliminating it.¹¹ Because it is the most progressive of all federal taxes, with an exemption of \$1 million

voters can use simple pieces of information as substitutes for the detailed information that political surveys show them to lack.

¹¹ The 82 percent figure combines the results of two ways of asking the question, each asked of those surveyed; one version refers to the “estate” tax, and one refer to the “death” tax. There was a slightly higher rate of favoring elimination when the tax is called the death tax.

for net estate and for annual gifts of \$11,000 per year, favoring elimination of this tax means supporting a more regressive overall tax policy. In this case the relevant misconception is that the estate tax applies to most families. 49 percent of respondents say that most families have to pay it, compared to 31 percent who say only a few families have to pay, and 20 percent who admit to not knowing. In fact, at current levels of the exemption, the estate tax applies to about 2 percent of the decedent population and, given a legislated increase in the exemption level, the percentage will probably decrease over the next decade.

Table 4 shows the results of a linear probability regression explaining who supports eliminating the estate tax as a function of views about the complexity and unfairness of the existing income tax, demographic variables, and the misconceived belief that most families pay estate tax (HES). Table 4 shows that holding this misconception increases the likelihood of favoring abolition by 10.3 percent. Thus, a popular misunderstanding that the current tax system is less progressive than it really is contributes to the widespread opposition to the tax, although a majority would oppose it even in the absence of this particular misconception. It also reveals that elimination of the estate tax is (not surprisingly) most popular among people aged 65 or older, but is not significantly associated with gender, race, education level or, somewhat surprisingly, income level.

4. Discussion

It is possible that the experts are wrong. But they'd have to be way, way off. Consider the recent analysis of effective federal tax rates in 1997-2000 released by the Congressional Budget Office (2003). It calculates the effective federal individual income tax rate by quintile and separately for the top 1, 5, and 10 percent of households. For 2000, this analysis concludes that the effective individual income tax rate for the top 1, 5, and 10 percent was 24.2, 21.6, and 19.7 percent, respectively. This compares to 8.1, 5.0, 1.5, and -4.6 for the fourth through lowest quintiles, respectively. The methodology employed by the CBO is fairly standard, and relies on a match of tax return information from the Statistics of Income Division of the Internal Revenue Service and data from the

Bureau of the Census' Current Population Survey on the demographic characteristics, and the Consumer Expenditure Survey created by the Bureau of Labor Statistics that provides information about the household consumption patterns.

The CBO methodology does not, though, make any adjustment for tax evasion, leaving open the possibility that its analysis vastly overstates actual progressivity because it vastly understates the true income of the well-to-do. By understating the denominator of the effective tax rate calculation, it overstates the true effective tax rate. The problem with this argument is that the most careful estimates of evasion, based on the IRS Taxpayer Compliance Measurement Program (TCMP), suggest that evasion rates for high-income taxpayers are *lower*, not higher, than those for middle-income and lower-income taxpayers.¹² Christian (1994) reports that, based on the 1988 TCMP data, the voluntary compliance rate (reported income as a percentage of true income) was over 95 percent for taxpayers with adjusted gross incomes in excess of \$100,000, but less than 90 percent for taxpayers with adjusted gross income less than \$25,000. Based on this study, ignoring evasion will understate progressivity, not overstate it.

For the standard analysis to be wrong thus requires that the TCMP misses a massive amount of the true income of high-income households. For example, to bring the CBO estimate of the effective tax rate of the top 1 percent of taxpayers (24.2 percent) down to the overall average of 11.8 percent would mean that the true income of the top 1 percent would have to be *twice* what the CBO believes based on its data. That is highly implausible, though not inconceivable. As the survey data reveal, it is apparently not inconceivable to a large fraction of Americans.

Where does the widespread misconception come from? Part of it is due to the general feeling that the rich are getting away with murder, leaving the little guy holding the bag. Frequent news stories about high-profile, high-income tax evaders probably contributes

¹² The Taxpayer Compliance Measurement Program combined information from a program of random, especially intensive, audits with information from special studies about sources of income, such as tips, that are difficult to uncover even in an intensive audit.

to this feeling. Popular books with titles like *The Rich Die Richer and You Can Too*¹³ leave the impression that there are tax avoidance and evasion strategies routinely used by the wealthy. But, as Geier (2003) points out, some “expert” advocates of fundamental tax reform give the impression that the existing tax system is regressive. She criticizes USC law professor Edward McCaffery of so doing in his book *Fair, Not Flat* by making statements such as “[T]he inconsistent income tax that we do have is particularly bad because it falls heavily on the poor dads of the nation while the rich dads delight in their ability to evade it” (p. 28) and “Tax for the rich is voluntary: they can live perfectly well without it” (p. 33). Clearly some advocates of radical tax reform want to leave the impression that the existing system is flawed, in part because it is easy prey for the accountants and lawyers easily afforded by the rich.

5. Conclusions

An in-depth survey of Americans’ attitudes toward taxation reveals a widespread misconception that the existing income tax system is not progressive. This misconception contributes strongly to support for replacing the income tax with either a flat-rate tax or a retail sales tax. The analysis presented here suggests that completely eliminating this misconception would reduce support for either change by approximately half, from 52.9 to 42.5 percent for the flat-rate tax, and from 39.4 to 31.1 percent for the retail sales tax. A similar misperception explains some, but less, of the overwhelming support for eliminating the federal estate tax.¹⁴

There is some more direct evidence that educating the public can change popular support for public policies. Fishkin (1997, pp. 214-220) reports the results of gauging support for certain policy options before and after a weekend of intensive learning and deliberation that is designed to, and felt by participants to be, balanced. In fact, one of the exercises Fishkin conducted concerned replacing the income tax with a flat tax. In a 1996 Austin Texas, gathering, support for a flat tax decreased from 44 percent before deliberation, to

¹³ Zabel (1995).

¹⁴ There is no reason to think that this is the *only* misperception that influences support for regressive tax reform. Indeed, some misconceptions might increase support for the *status quo*.

30 percent afterward. Fishkin regards this finding as evidence of error, in relation to well-informed opinion, of “pre-deliberative” public opinion. To be sure, the widespread misperception of the progressivity of the existing income tax system is but one of the misperceptions that influences popular views about tax policy in general, and about replacing the income tax with a more regressive alternative, in particular.

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Table 1
Determinants of Support for Regressive Tax Reform

	Flat-Rate Income Tax (FR)		Retail Sales Tax (RST)	
	1	2	3	4
COM	0.138 ^{***} 0.037	0.125 ^{***} 0.037	0.070 [*] 0.040	0.075 [*] 0.040
UNF	0.178 ^{***} 0.036	0.159 ^{***} 0.036	0.098 ^{**} 0.038	0.085 ^{**} 0.040
HFR		0.240 ^{***} 0.037		
HRST				0.184 ^{***} 0.040
AGE3049	0.090 [*] 0.053	0.058 0.054	0.021 0.056	-0.014 0.057
AGE5064	0.134 ^{**} 0.059	0.098 0.061	0.081 0.062	0.050 0.064
AGE65PLS	-0.040 0.067	-0.086 0.067	-0.018 0.071	-0.037 0.073
FEMALE	-0.118 ^{***} 0.036	-0.092 ^{**} 0.036	-0.067 ^{***} 0.038	-0.050 0.039
NONWHITE	-0.035 0.046	-0.038 0.047	-0.028 0.048	-0.024 0.049
HIGHSCH	-0.079 0.073	-0.102 0.076	-0.086 0.080	-0.093 0.081
SOMECOLL	-0.169 ^{**} 0.072	-0.171 ^{**} 0.074	-0.104 0.080	-0.087 0.080
COLL	-0.185 ^{***} 0.071	-0.174 ^{**} 0.073	-0.156 ^{**} 0.079	-0.114 0.079
INC2030	-0.103 0.079	-0.122 0.081	-0.030 0.082	-0.047 0.083
INC3050	0.052 0.072	0.031 0.072	0.000 0.076	-0.005 0.077
INC5075	-0.024 0.071	-0.051 0.071	0.037 0.074	0.031 0.076
INC75150	0.098 0.072	0.076 0.072	0.067 0.076	0.040 0.076

Table 1 (cont.)

INCMT150	0.054 0.074	0.063 0.073	0.013 0.078	0.002 0.079
INCDK	0.062 0.083	0.068 0.083	0.003 0.088	-0.040 0.092
CONSTANT	0.479*** 0.089	0.424*** 0.090	0.406*** 0.100	0.345*** 0.102
N	943	906	847	787
R ²	0.125	0.187	0.040	0.075

Notes: Standard errors are below coefficient estimates.
 *** indicates significance at p=.01 in two-tailed test.
 ** indicates significance at p=.05 in two-tailed test.
 * indicates significance at p=.10 in two-tailed test.

Key to Dummy Variables

FR:	Support for Flat Tax
RST:	Support for Retail Sales Tax
COM:	Belief that Current Tax System Is Complex
UNF:	Belief that Current Tax System Is Unfair
HFR:	Belief that People with High Incomes Would Generally Pay More Income Tax Under a Flat-Rate System
HRST:	Belief that People with High Incomes Would Generally Pay More Tax Under a Retail Sales Tax
AGE3049:	Age 30-49
AGE5064:	Age 50-64
AGE65PLS:	Age 65 or Over
FEMALE:	Female
NONWHITE:	Nonwhite
HIGHSCH:	High School or GED Graduate
SOMECOLL:	Some College Education, But No 4-Year Degree
COLL:	College Graduate or Beyond
INC2030:	Total Annual Household Income Before Taxes More Than \$20K and Less Than \$30K
INC3050:	Total Annual Household Income Before Taxes More Than \$30K and Less Than \$50K
INC5075:	Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K
INC75150:	Total Annual Household Income Before Taxes More Than \$75K and Less Than \$150K
INCMT150:	Total Annual Household Income Before Taxes More Than \$150K
INCDK:	Total Annual Household Income Before Taxes Unknown

Table 2
Determinants of Belief in Unfairness of Current Tax System (UNF)

HFLESS	0.092** 0.040	0.071** 0.039
MFLESS	-0.006 0.097	0.018 0.098
LFLESS	0.015 0.043	0.011 0.042
HFMORE	0.123** 0.052	0.141*** 0.052
MFMORE	0.138*** 0.035	0.120*** 0.034
LFMORE	0.068* 0.037	0.049 0.036
TRUST		-0.237*** 0.033
AGE3049	0.108 0.046	0.003 0.045
AGE5064	0.200*** 0.051	0.173*** 0.050
AGE65PLS	0.118** 0.058	0.113** 0.057
FEMALE	-0.034 0.032	-0.042 0.031
NONWHITE	-0.013 0.039	-0.024 0.038
HIGHSCH	0.029 0.059	0.032 0.058
SOMECOLL	0.053 0.060	0.065 0.059
COLL	-0.007 0.059	0.002 0.058
INC2030	-0.039 0.065	-0.028 0.065
INC3050	-0.050 0.062	-0.021 0.060

Table 2 (cont.)

INC5075	-0.060 0.061	-0.043 0.059
INC75150	-0.111* 0.063	-0.082 0.061
INCMT150	-0.029 0.065	-0.012 0.063
INCDK	-0.123* 0.069	-0.099 0.068
CONSTANT	0.253*** 0.076	0.356*** 0.076
N	1210	1197
R ²	0.065	0.110

Key to Dummy Variables

UNF:	Belief that Current Tax System Is Unfair
HFLESS:	Belief that High-Income Families Pay Less Than Their Fair Share of Federal Taxes
MFLESS:	Belief that Middle-Income Families Pay Less Than Their Fair Share of Federal Taxes
LFLESS:	Belief that Low-Income Families Pay Less Than Their Fair Share of Federal Taxes
HFMORE:	Belief that High-Income Families Pay More Than Their Fair Share of Federal Taxes
MFMORE:	Belief that Middle-Income Families Pay More Than Their Fair Share of Federal Taxes
LFMORE:	Belief that Low-Income Families Pay More Than Their Fair Share of Federal Taxes
TRUST:	Usually Trust the Federal Government to Do What Is Right
AGE3049:	Age 30-49
AGE5064:	Age 50-64
AGE65PLS:	Age 65 or Over
FEMALE:	Female
NONWHITE:	Nonwhite
HIGHSCH:	High School or GED Graduate
SOMECOLL:	Some College Education, But No 4-Year Degree
COLL:	College Graduate or Beyond
INC2030:	Total Annual Household Income Before Taxes More Than \$20K and Less Than \$30K
INC3050:	Total Annual Household Income Before Taxes More Than \$30K and Less Than \$50K
INC5075:	Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K
INC75150:	Total Annual Household Income Before Taxes More Than \$75K and Less Than \$150K
INCMT150:	Total Annual Household Income Before Taxes More Than \$150K
INCDK:	Total Annual Household Income Before Taxes Unknown

Table 3
Determinants of Misconception about Progressivity of Tax Reform

	Flat-Rate Tax (HFR)	Retail Sales Tax (HRST)
	1	2
HE	-0.010 0.036	0.016 0.038
HIGHSCH	0.101* 0.059	-0.094 0.065
SOMECOLL	0.083 0.062	-0.049 0.066
COLL	0.043 0.062	-0.158** 0.068
SUMKNOWL	-0.007 0.011	-0.009 0.011
TRUST	-0.082** 0.034	-0.026 0.036
AGE3049	0.111** 0.045	0.047 0.048
AGE5064	0.200*** 0.052	0.090 0.055
AGE65PLS	0.171*** 0.060	-0.001 0.062
FEMALE	-0.144*** 0.033	-0.045 0.035
NONWHITE	-0.035 0.039	-0.033 0.042
INC2030	0.066 0.067	0.087 0.070
INC3050	0.162** 0.063	0.089 0.066
INC5075	0.092 0.062	0.092 0.066
INC75150	0.121* 0.063	0.159** 0.068
INCMT150	0.003 0.067	0.061 0.072
INCDK	0.142* 0.073	0.178* 0.078

**Table 3
(cont.)**

CONSTANT	0.288*** 0.077	0.442*** 0.085
N	1089	1052
R ²	0.064	0.026

Key to Dummy and Other Variables

HFR:	Belief that People with High Incomes Would Generally Pay More Income Tax Under a Flat-Rate System
HRST:	Belief that People with High Incomes Would Generally Pay More Tax Under a Retail Sales Tax
HE:	Belief that People Cheat a Lot on Their Taxes
HIGHSCH:	High School or GED Graduate
SOMECOLL:	Some College Education, But No 4-Year Degree
COLL:	College Graduate or Beyond
SUMKNOWL:	Sum of Tax Knowledge Questions Answered Correctly (ranges from 0 to 7)
TRUST:	Usually Trust the Federal Government to Do What Is Right
AGE3049:	Age 30-49
AGE5064:	Age 50-64
AGE65PLS:	Age 65 or Over
FEMALE:	Female
NONWHITE:	Nonwhite
INC2030:	Total Annual Household Income Before Taxes More Than \$20K and Less Than \$30K
INC3050:	Total Annual Household Income Before Taxes More Than \$30K and Less Than \$50K
INC5075:	Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K
INC75150:	Total Annual Household Income Before Taxes More Than \$75K and Less Than \$150K
INCMT150:	Total Annual Household Income Before Taxes More Than \$150K
INCDK:	Total Annual Household Income Before Taxes Unknown

Table 4
Determinants of Support for Elimination of
the Estate Tax (ES): The Role of
Misperceived Regressivity

COM	0.042 0.031
UNF	-0.046 0.029
HES	0.103 ^{***} 0.033
HESDK	0.124 ^{**} 0.050
AGE3049	0.062 0.048
AGE5064	0.049 0.052
AGE65PLS	0.137 ^{**} 0.054
FEMALE	-0.028 0.028
NONWHITE	-0.028 0.041
HIGHSCH	-0.007 0.065
SOMECOLL	0.062 0.064
COLL	-0.062 0.066
INC2030	0.060 0.065
INC3050	0.049 0.062
INC5075	0.100 [*] 0.059
INC75150	0.059 0.062
INCMT150	0.072 0.064

Table 4 (cont.)

INCDK	-0.035 0.066
CONSTANT	0.591*** 0.086
N	999
R ²	0.052

Key to Dummy Variables

ES:	Support for Eliminating the Estate Tax
COM:	Belief that Current Tax System Is Complex
UNF:	Belief that Current Tax System Is Unfair
HES:	Belief that Most Families Have to Pay Estate Tax When Someone Dies
HESDK:	Don't Know if Most Families Have to Pay Estate Tax When Someone Dies
AGE3049:	Age 30-49
AGE5064:	Age 50-64
AGE65PLS:	Age 65 or Over
FEMALE:	Female
NONWHITE:	Nonwhite
HIGHSCH:	High School or GED Graduate
SOMECOLL:	Some College Education, But No 4-Year Degree
COLL:	College Graduate or Beyond
INC2030:	Total Annual Household Income Before Taxes More Than \$20K and Less Than \$30K
INC3050:	Total Annual Household Income Before Taxes More Than \$30K and Less Than \$50K
INC5075:	Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K
INC75150:	Total Annual Household Income Before Taxes More Than \$75K and Less Than \$150K
INCMT150:	Total Annual Household Income Before Taxes More Than \$150K
INCDK:	Total Annual Household Income Before Taxes Unknown

APPENDIX

The appendix includes two sections. The first section includes a table of all variables and their means and standard deviations and describes each of the variables in full. The second section lists each of the questions referred to in the first section.

Table A1
Summary Statistics for Variables Included in Tables 1-4

Variable	Number of Observations	Mean	Standard Deviation	Min	Max
AGE1829	1319	0.218	0.413	0	1
AGE3049	1319	0.409	0.492	0	1
AGE5064	1319	0.212	0.409	0	1
AGE65PLS	1319	0.161	0.368	0	1
COLL	1335	0.243	0.429	0	1
COM	1316	0.515	0.500	0	1
ES	1046	0.787	0.410	0	1
FEMALE	1339	0.519	0.500	0	1
FR	983	0.529	0.499	0	1
HE	1186	0.320	0.467	0	1
HES	1338	0.491	0.500	0	1
HESDK	1338	0.178	0.383	0	1
HFLESS	1296	0.587	0.493	0	1
HFMORE	1296	0.158	0.365	0	1
HFR	1257	0.435	0.496	0	1
HIGHSCH	1335	0.296	0.456	0	1
HRST	1207	0.450	0.498	0	1
INCLT20	1339	0.145	0.352	0	1
INC2030	1339	0.151	0.358	0	1
INC3050	1339	0.191	0.393	0	1
INC5075	1339	0.181	0.386	0	1
INC75150	1339	0.168	0.374	0	1
INCMT150	1339	0.044	0.205	0	1
INCDK	1339	0.121	0.326	0	1
LFLESS	1284	0.208	0.406	0	1
LFMORE	1284	0.377	0.485	0	1
MFLESS	1304	0.035	0.183	0	1
MFMORE	1304	0.613	0.487	0	1
NOHSCH	1335	0.170	0.375	0	1
NONWHITE	1322	0.280	0.449	0	1
RST	883	0.394	0.489	0	1
SOMECOLL	1335	0.292	0.455	0	1
SUMKNOWL	1331	2.980	1.760	0	7
TRUST	1320	0.350	0.477	0	1
UNF	1329	0.484	0.500	0	1

Descriptive Explanation of Variables

AGE1829: Age Dummy, 18-29 Year Olds

(Omitted Variable)

The NKK dataset includes an “Age” variable computed from responses to Question D10. AGE1829 equals 1 if the variable “Age” included in the NKK dataset is equal to 1. Otherwise AGE1829 equals 0 unless “Age” equals 9, in which case AGE1829 is coded as missing.

AGE3049: Age Dummy, 30-49 Year Olds

The NKK dataset includes an “Age” variable computed from responses to Question D10. AGE3049 equals 1 if the variable “Age” included in the NKK dataset is equal to 2. Otherwise AGE3049 equals 0 unless “Age” equals 9, in which case AGE3049 is coded as missing.

AGE5064: Age Dummy, 50-64 Year Olds

The NKK dataset includes an “Age” variable computed from responses to Question D10. AGE5064 equals 1 if the variable “Age” included in the NKK dataset is equal to 3. Otherwise AGE5064 equals 0 unless “Age” equals 9, in which case AGE5064 is coded as missing.

AGE65PLS: Age Dummy, Respondent 65 Years Old or Older

The NKK dataset includes an “Age” variable computed from responses to Question D10. AGE65PLS equals 1 if the variable “Age” included in the NKK dataset is equal to 3. Otherwise AGE65PLS equals 0 unless “Age” equals 9, in which case AGE65PLS is coded as missing.

COLL: Education Dummy, College Graduate or Beyond

COLL equals 1 if the response to Question D09 is “College graduate (B.S., B.A., or other 4-year degree)” or “Post-graduate training or professional schooling after college.” SOME COLL equals 0 otherwise, unless the response to Question D09 is “DK/No opinion” or “Refused,” in which case SOME COLL is coded as missing.

COM: Dummy for “Belief that Current Tax System Is Complex”.

COM equals 1 if the response to Question 33 is “very complex”. COM equals 0 if the response is “somewhat complex”, “not too complex”, or “not complex at all.” COM is coded as missing if the response to Question 33 is “Don’t know” or “Refused.”

ES: Dummy for “Support for Eliminating the Estate Tax”

ES equals 1 if the response to Question 47 or Question 48 is “Favor.” (Question 47 and 48 are differently worded versions of the same question.) ES equals 0 if the response to either question is “Oppose.” ES is coded as missing if the response to Question 47 or Question 48 is “Don’t know enough to say” or “Refused.”

FEMALE: Gender Dummy, Female

FEMALE equals 1 if the response to Question D18 is “Female.” Otherwise FEMALE equals 0.

FR: Dummy for “Support for Flat Tax.”

FR equals 1 if the response to Question 25 is “Favor such a flat rate system.” FR equals 0 if the response is “Prefer keeping the system we have now.” FR is coded as missing if the response to question 25 is “Don’t know” or “Refused.”

HE: Dummy for “Belief that People Cheat a Lot on Their Taxes”

HE equals 1 if the response to Question 23 is “Most cheat” or “Some cheat” AND the response to Question 24 is “A lot.” HE equals 0 if the response to Question 24 is “A little” or the response to Question 24 is “A lot” but the response to Question 23 is “Only a few people cheat.” HE is coded as missing if the response to either Question 23 or Question 24 is “Don’t know” or “Refused.”

HES: Dummy for “Belief that Most Families Have to Pay Estate Tax When Someone Dies”

HES equals 1 if the response to Question 51 is “Most families have to pay.” HES2 equals 0 if the response is “Only a few families have to pay” or “Don’t know.” HES2 is coded as missing if the response to Question 51 is “Refused.”

HESDK: Dummy for “Don’t Know if Most Families Have to Pay Estate Tax When Someone Dies”

HESDK equals 1 if the response to Question 51 is “Don’t know.” HES2DK equals 0 if the response is “Most families have to pay” or “Only a few families have to pay.” HES2DK is coded as missing if the response to Question 51 is “Refused.”

HFLESS: Dummy for “Belief that High-Income Families Pay Less Than Their Share of Federal Taxes”

HFLESS equals 1 if the response to Question 18a is “Less than their fair share.” HFLESS equals 0 if the response is “Pay more than their fair share” or “About their fair share.” HFLESS is coded as missing if the response to Question 18a is “Don’t know” or “Refused.”

HFMORE: Dummy for “Belief that High-Income Families Pay More Than Their Share of Federal Taxes”

HFMORE equals 1 if the response to Question 18a is “Pay more than their fair share.” HFMORE equals 0 if the response is “Less than their fair share” or “About their fair share.” HFMORE is coded as missing if the response to Question 18a is “Don’t know” or “Refused.”

HFR: Dummy for “Belief that People with High Incomes Would Generally Pay More Income Tax Under a Flat-Rate System”

HFR equals 1 if the response to question 29 is “More.” HFR equals 0 if the response is “Less” or “About the same amount.” HFR is coded as missing if the response to Question 29 is “Don’t know” or “Refused.”

HRST: Dummy for “Belief that People with High Incomes Would Generally Pay More Tax Under a Retail Sales Tax System”

HRST equals 1 if the response to Question 59 is “More.” HRST equals 0 if the response is “Less” or “About the same amount.” HRST is coded as missing if the response to Question 59 is “Don’t know” or “Refused.”

HIGHSCH: Education Dummy, High School or GED Graduate

HIGHSCH equals 1 if the response to Question D09 is “High school graduate (grade 12 or GED certificate).” HIGHSCH equals 0 otherwise, unless the response to Question D09 is “DK/No opinion” or “Refused,” in which case HIGHSCH is coded as missing.

INCDK: Income Dummy, Total Annual Household Income Before Taxes Unknown

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC5075 equals 1 if “Quint1” equals 91, 92, 98, or 99. Otherwise “Quint1” equals 0.

INCLT20: Income Dummy, Total Annual Household Income Before Taxes Less Than \$20K

(Omitted Variable)

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INCLT20 equals 1 if “Quint1” equals 01. Otherwise “Quint1” equals 0.

INC2030: Income Dummy, Total Annual Household Income Before Taxes More Than Than \$20K and Less Than \$30K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC2030 equals 1 if “Quint1” equals 02. Otherwise “Quint1” equals 0.

INC3050: Income Dummy, Total Annual Household Income Before Taxes More Than \$30K and Less Than \$50K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC3050 equals 1 if “Quint1” equals 03. Otherwise “Quint1” equals 0.

INC5075: Income Dummy, Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC5075 equals 1 if “Quint1” equals 04. Otherwise “Quint1” equals 0.

INC5075: Income Dummy, Total Annual Household Income Before Taxes More Than \$50K and Less Than \$75K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC5075 equals 1 if “Quint1” equals 04. Otherwise “Quint1” equals 0.

INC75150: Income Dummy, Total Annual Household Income Before Taxes More Than \$75K and Less Than \$150K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC5075 equals 1 if “Quint1” equals 05. Otherwise “Quint1” equals 0.

INCMT150: Income Dummy, Total Annual Household Income Before Taxes More Than \$150K

The NKK dataset includes a “Quint1” variable that approximates income quintiles. “Quint1” is developed from responses to Question D14. INC5075 equals 1 if “Quint1” equals 06. Otherwise “Quint1” equals 0.

LFLESS: Dummy for “Belief Low-Income Families Pay Less Than Their Share of Federal Taxes”

LFLESS equals 1 if the response to Question 18c is “Less than their fair share.” LFLESS equals 0 if the response is “Pay more than their fair share” or “About their fair share.” LFLESS is coded as missing if the response to Question 18c is “Don’t know” or “Refused.”

LFMORE: Dummy for “Belief Low-Income Families Pay More Than Their Share of Federal Taxes”

LFMORE equals 1 if the response to Question 18c is “Pay more than their fair share.” LFMORE equals 0 if the response is “Less than their fair share” or “About their fair share.” LFMORE is coded as missing if the response to Question 18c is “Don’t know” or “Refused.”

MFLESS: Dummy for “Belief Middle-Income Families Pay Less Than Their Share of Federal Taxes”

MFLESS equals 1 if the response to Question 18b is “Less than their fair share.” MFLESS equals 0 if the response is “Pay more than their fair share” or “About their fair share.” MFLESS is coded as missing if the response to Question 18b is “Don’t know” or “Refused.”

MFMORE: Dummy for “Belief Middle-Income Families Pay More Than Their Share of Federal Taxes”

MFMORE equals 1 if the response to Question 18b is “Pay more than their fair share.” MFMORE equals 0 if the response is “Less than their fair share” or “About their fair share.” MFMORE is coded as missing if the response to Question 18b is “Don’t know” or “Refused.”

NOHSCH: Education Dummy, Did Not Complete High School
(Omitted Variable)

NOHSCH equals 1 if the response to Question D09 is “None, or grade 1-8” or “High school incomplete (grades 9-11).” NOHSCH equals 0 otherwise, unless the response to

Question D09 is “DK/No opinion” or “Refused,” in which case NOHSCH is coded as missing.

NONWHITE: Race Dummy, Nonwhite

The NKK dataset includes a “Race” variable computed from responses to Question D12. NONWHITE equals 1 if “Race” is greater than 1. NONWHITE equals 0 if “Race” equals 0. NONWHITE is coded as missing if “Race” equals 98 or 99.

RST: Dummy for “Support for Retail Sales Tax”

RST equals 1 if the response to Question 55 is “A good idea.” RST equals 0 if the response is “A bad idea.” RST is coded as missing if the response to question 55 is “Don’t know” or “Refused.”

SOMECOLL: Education Dummy, Some College Education, But No 4-Year Degree

SOMECOLL equals 1 if the response to Question D09 is “Business, technical, or vocational school AFTER high school” or “Some college, no 4 year degree.”

SOMECOLL equals 0 otherwise, unless the response to Question D09 is “DK/No opinion” or “Refused,” in which case SOMECOLL is coded as missing.

SUMKNOWL: Sum of Tax Knowledge Questions Answered Correctly: SUMKNOWL $\in [0, 7]$

Respondents get 1 point for each of the following correct responses:

If the response to Question 11 is “Has been.”

If the response to Question 13 is “It is not part of the federal income tax.”

If the response to Question 14a is “Heard the term and know what it means.”

If the response to Question 14b is “Heard the term and know what it means.”

If the response to Question 14c is “Heard the term and know what it means.”

If the response to Question 14e is “Heard the term and know what it means.”

If the response to Question 15 is “A smaller percentage.”

(If the response to Question 11, 13, 14a, 14b, 14c, 14e, or 15 is “Refused,” then SUMKNOWL is coded as missing. This results in a total of 8 missing observations for SUMKNOWL.)

TRUST: Dummy for “Usually Trust the Federal Government to Do What Is Right”

TRUST equals 1 if the response to Question 3 is “Just about always” or “Most of the time.” TRUST equals 0 if the response is “Only some of the time” or “None of the time.”

TRUST is coded as missing if the response to Question 3 is “Don’t know” or “Refused.”

UNF: Dummy for “Belief that Current Tax System is Unfair”

UNF equals 1 if the response to Question 5 is “Not too fair” or “Not fair at all.” UNF equals 0 if the response is “Very fair” or “Moderately fair.” UNF is coded as missing if the response to Question 5 is “Don’t know” or “Refused.”

Questions Referenced in Descriptive Explanation of Variables

3. How much of the time do you trust the federal government in Washington to do what is right – just about always, most of the time, only some of the time, or none of the time?
5. How fair do you think our present federal tax system is? Overall, would you say that our tax system is ... very fair, moderately fair, not too fair, or not fair at all?
11. First, to the best of your knowledge, in the past two years has there or hasn't there been a federal income tax cut?
13. When you think of the federal taxes that you pay, do you think the amount deducted from your paycheck for Social Security and Medicare is part of the federal income tax, or isn't it part of the federal income tax, or don't you know enough to say?
14. And now I want to read a brief list of terms that are related to taxes and the federal tax system. For each, please tell me if you have heard the term and know what it means, have heard the term but don't know what it means, or have not heard the term. First/Next, (INSERT TERM). Have you heard the term and know what it means, have you heard the term but don't know what it means, or have you not heard the term?
 - a. Progressive taxes
 - b. Payroll taxes
 - c. Value Added Tax, sometimes called a VAT tax
 - e. Earned Income Tax Credit
15. Compared with the citizens of Western Europe countries, do you think Americans pay a higher percentage of their income in taxes, a smaller percentage of their income in taxes, about the same percentage of their income in taxes, or don't you know enough to say?
18. I'm going to read you a list of groups. Please tell me if you think they pay more than their fair share, less than their fair share, or about their fair share in **federal** taxes.
 - a. High-income families
 - b. Middle-income families
 - c. Low-income families
23. Today, do you think most people cheat on their taxes, some people cheat on their taxes, or only a few people cheat on their taxes?
25. In the United States, (IF RESPONDENTS ANSWERED "1" TO Q13, SAY: as you know,) we have what is called a graduated federal income tax system.

That is, people with higher incomes are taxed at a higher percentage than people with lower incomes. Some people would like to change the current tax system so that everyone would pay the same income tax rate (for example, 10 percent or 20 percent). Generally, would you be in favor of such a flat-rate system for federal income taxes, would you prefer keeping the system we have now, or don't you know enough to say?

26. Compared with the current graduated income tax system, do you think a tax system where everyone, regardless of how much they earn, is taxed at the same flat rate would be more fair or less fair, or wouldn't it make a difference, or don't you know enough to say?
27. Do you think a flat-rate tax would be simpler than the current system, more complex than the current system, or wouldn't it make a difference, or don't you know enough to say?
29. And do you think people with high incomes would generally pay more income tax, less income tax, or about the same amount of income tax as they pay now?
33. How complex do you think the current federal income tax system is? Do you think it is very complex, somewhat complex, not too complex or not complex at all?
47. There is a federal estate tax – that is, a tax on the money people leave when they die. Do you favor or oppose eliminating this tax, or don't you know enough to say?
48. There is a federal estate tax that some people call the death tax. This is a tax on the money people leave when they die. Do you favor or oppose eliminating this tax, or don't you know enough to say?
51. Do you think that most families have to pay the federal estate tax when someone dies or only a few families have to pay it?
55. Some have suggested that the federal income tax be replaced with something like a national retail sales tax, though the money might not be collected at the cash register. Everything would cost more, but you would pay taxes only when you buy something. There would be no tax on income from work, savings or investment. Do you think it would be a good idea or a bad idea to replace the federal income tax with something like a national sales tax, or don't you know enough to say?
56. Do you think a tax system based on everyone paying a tax on what they buy instead of what they earn would be more fair or less fair than the current

graduated income tax system, or wouldn't it make a difference, or don't you know enough to say?

57. Do you think a tax system based on everyone paying a tax on what they buy instead of what they earn would be simpler or more complex than the current graduated income tax system, or wouldn't it make a difference, or don't you know enough to say?

59. And do you think most HIGH INCOME people would pay more in taxes, less in taxes, or about the same amount in taxes as they pay now under the income tax system?

D09. What is the last grade or class that you completed in school?

High school graduate or less (NET)

Less than high school graduate (SUBNET)

None, or grade 1-8

High school incomplete

High school graduate+ (SUBNET)

High school graduate

Business, technical/vocational school

Some college or more (NET)

Some college, no 4 year degree

College graduate + (SUBNET)

College graduate

Post-graduate training

D10. What is your age?

18-29

30-49

50-64

65+

D12. Do you consider yourself to be white, black or African-American, Asian-American, or some other race?

D14. IS YOUR TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES, AND BEFORE TAXES: (READ LIST)

Less than \$50K (NET)

Less than \$20K

\$20K but less than \$30K

\$30K but less than \$40K

\$40K but less than \$50K

Less than \$50K (unspecified)

\$50K - \$149.9K (NET)

\$50K but less than \$60K

\$60K but less than \$75K

\$75K but less than \$100K
\$100K but less than \$150K
\$50K but less than \$150K (unspec)
\$150K+ (NET)
\$150K but less than \$300K
\$300K but less than \$500K
\$500K+
\$150K+ (unspecified)

Income 2

(Bottom quintile = <\$16): <\$20K
(Second quintile = \$16K-\$29K): \$20K-\$30K
(Middle quintile = \$29K-\$46K): \$30K-\$50K
(Fourth quintile = \$46K-\$77K): \$50K-\$75K
(Next 15% \$77K-\$154K): \$75K-\$150K
(Top 5% \$155+): \$150+
Bottom 4 Quintiles
Top Quintile

D18. Gender
Male
Female